

July 7, 2025

*Sent via email*

**Subject: CFIB Interprovincial Cooperation Report Card and Priorities ahead of Committee on Internal Trade (CIT) Meeting**

Dear Committee on Internal Trade:

The Canadian Federation of Independent Business (CFIB) is a non-profit, non-partisan organization representing the interests of over 100,000 small- and medium-sized enterprises (SMEs) across Canada.

On June 30, CFIB released the 2025 edition of our [Interprovincial Cooperation Report Card](#), which evaluates federal, provincial, and territorial governments' progress on internal trade. Many jurisdictions saw an improvement in their grades this year, with three provinces earning an A-level grade - reflecting their leadership in passing mutual recognition legislation, removal of party-specific CFTA exceptions, and collaboration with other jurisdictions to unlock free trade across Canada. We applaud these efforts and encourage continual progress.

Still, there is more work to be done. According to CFIB data, 89% of small businesses want governments to act more quickly to reduce domestic trade barriers. While legislative progress is commendable, implementation is critical. Without corresponding regulatory reforms, clear timelines and transparent communication, small businesses will not see the full benefit of these changes on the ground.

**Key Priorities for July 8 CIT meeting**

CFIB's top priority remains the adoption of a unilateral, Canada-wide mutual recognition framework for goods, services, and credentials to prevent a potentially fragmented, jurisdiction-by-jurisdiction approach.

To further build on recent progress, CFIB urges the CIT to continue advancing bold, coordinated action. At the First Ministers' meeting in Saskatoon on June 2, 2025, the premiers and Prime Minister directed the CIT to "rapidly conclude a comprehensive Mutual Recognition Agreement covering consumer goods, in alignment with the CIT discussions, with implementation by December 2025." Given seven jurisdictions have already passed mutual recognition legislation, we are seeking clarity on what a CIT agreement would mean both for those provinces with existing legislation and for the internal trade file as a whole.

Additionally, clarity is urgently needed on the development of a pan-Canadian direct-to-consumer (DTC) alcohol shipment model. In the March 5<sup>th</sup> First Ministers meeting in Ottawa, most First Ministers committed to allowing DTC alcohol sales for Canadian products. This is a very popular measure amongst CFIB members and a clear timeline for implementation would be helpful to allow businesses in the sector to plan for the policy change.

Labour mobility remains another key concern for small businesses. While CFIB welcomes the CIT and Forum of Labour Market Ministers' work to reach the commitment to a 30-day credential recognition timeline, we caution that credentials are only one piece of a broader puzzle. According to CFIB's recent [labour mobility snapshot](#), 38% of small businesses with interprovincial workers identified differing Occupational Health and Safety (OHS) standards as a barrier, while 35% reported challenges related to registering businesses and employees with multiple workers' compensation boards. To address these issues, we encourage all jurisdictions to support mutual recognition of OHS compliance across Canada, allowing exceptions only where justified by legitimate health and safety concerns. We also recommend making workers' compensation systems portable across provinces and territories, especially for short-term contracts, to reduce unnecessary paperwork on small businesses seeking to expand their operations.

As we approach the CIT meeting, we encourage the CIT to champion a unified vision and continue collaborating with other jurisdictions to deliver meaningful results for Canadian businesses.

Thank you for your attention to this important matter.

Sincerely,



Corinne Pohlmann  
Executive Vice-President,  
Advocacy



Ryan Mallough  
Vice-President,  
Legislative Affairs



SeoRhin Yoo  
Sr. Policy Analyst,  
Interprovincial Affairs